

California Fair Political Practices Commission

Multipurpose Organizations Reporting Political Spending

(Including Nonprofits, Federal and Out-of-State PACs)

Introduction

Effective July 1, 2014, multipurpose organizations spending on state and local elections must report the donors who are the sources of funds used for political purposes. Government Code Section 84222 was added to the Political Reform Act (Act)¹ to establish the campaign reporting requirements for multipurpose organizations that are actively spending in state and local elections. As the legislation (SB 27) emphasizes, the disclosure of donors provides voters with vital information on who is funding campaigns, increases transparency to deter actual or perceived corruption, and is an important means of gathering information to detect possible violations.

Significantly, the new law requires limited disclosure from multipurpose organizations if they make sizeable political contributions or expenditures in California. Generally, any person or group that raises funds from others of \$1,000 or more to make political expenditures in California must register as a committee (“recipient committee”) and file campaign reports under the Act. (Gov. Code, § 82013(a).) These political committees report *all the contributions* they receive and *all their expenditures*. In contrast, multipurpose organizations that qualify as a committee under Government Code section 84222, report only *their political expenditures* and the *sources of those funds*. For example, the California Heart Association or local parent teachers association would not report all its donors and all its expenditures. But if the association spends more than \$100,000 from its general funds for a ballot measure ad, it will report the expenditure and show the source of those funds, identifying its most recent donors of \$1,000 or more.

This fact sheet provides an overview of the types of multipurpose organizations that must file campaign reports as California recipient committees as well as general reporting guidance.

A. What is a multipurpose organization?

Multipurpose organizations typically receive donations or other payments (e.g., membership dues) for purposes other than making political expenditures in California. They nevertheless may, at times, use some of these funds to make political expenditures to support or oppose California state or local candidates or ballot measures.

For purposes of the Act, multipurpose organizations include:

- Nonprofit organizations with tax exempt status under 501(c)(3) to 501(c)(10) of the Internal Revenue Code
- Federal and out-of-state political action committees (PACs)
- Trade and professional associations
- Civic and religious organizations
- Fraternal societies
- Educational institutions

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

For purposes of the Act, multipurpose organizations do not include:

- Business entities
- Individuals
- Federal candidate controlled committees

(Gov. Code, § 84222(a).)

B. When does a multipurpose organization qualify as a recipient committee?

In general, groups that are organized to support or oppose California candidates and/or ballot measures must form a recipient committee. (Gov. Code, § 82013(a).) Recipient committees must register with the California Secretary of State and file campaign statements to report all contributions and expenditures.

Effective July 1, 2014, the following multipurpose organizations that make contributions or expenditures to support or oppose state or local candidates or ballot measures in California must also register as recipient committees and file campaign statements to disclose their political expenditures and the sources of funds used for those expenditures. (Gov. Code, § 84222; Regulation 18422.)

- **Calendar Year Filers.** Organizations that make contributions or expenditures in California totaling more than \$50,000 in a period of 12 months or more than \$100,000 in a period of four consecutive years
- **Federal or out-of-state political committees** that make contributions or expenditures in California totaling at least \$1,000 in a calendar year
- **Organizations that solicit and receive payments from donors** totaling at least \$1,000 for the purpose of making contributions or expenditures in California
- **Organizations that accept payments from donors** totaling at least \$1,000 subject to a condition, agreement, or understanding with the donor that all or a portion of the payments may be used for making contributions or expenditures in California
- **Organizations that have existing funds from a donor** and a subsequent agreement or understanding is reached with the donor that all or a portion of the funds may be used to make contributions or expenditures totaling at least \$1,000 in California

(Gov. Code, § 84222(c).)

Once a multipurpose organization qualifies as a recipient committee, the committee's treasurer should refer to the applicable campaign disclosure manual (i.e., Campaign Disclosure Manual 3 for primarily formed ballot measure committees) for specific reporting requirements. In addition, filing schedules with specific deadlines, fact sheets describing recent campaign changes, and helpful FAQs are available on the FPPC website.

Exception – Nondonor Funds: A multipurpose organization that uses only “nondonor funds” (e.g., investment income, capital gains, income from providing goods or services) to make

contributions or expenditures will not qualify as a recipient committee; however, the organization may qualify as a “major donor committee” or an “independent expenditure committee.” (Gov. Code, § 82013(b) and (c).) In particular, an organization that makes contributions of \$10,000 or more from nondonor funds will qualify as a major donor committee. Similarly, an organization that makes independent expenditures of \$1,000 or more from nondonor funds will qualify as an independent expenditure committee. (Gov. Code, § 84222(b).) These committees have different reporting requirements and the committee should refer to the applicable campaign disclosure manual. (See [Campaign Disclosure Manuals 5 and 6](#).)

C. What are the registration requirements?

A multipurpose organization that meets any of the criteria described above must register as a California recipient committee and file campaign reports disclosing contributions and expenditures. (Gov. Code § 84222(e).) The committee must file the Form 410 (Statement of Organization) with the Secretary of State; local committees must also file a copy with the local filing officer (i.e., city clerk or county elections office). Generally, the Form 410 must be filed within 10 days of qualifying as a committee; however, if a committee qualifies in the 16 days before an election, the Form 410 must be filed within 24 hours.

The Form 410 instructions outline the committee name requirements. The following additional rules apply to multipurpose organizations:

- **Committee Name and Description.** A multipurpose organization’s committee name must be the full legal name of the organization. In addition, one of the following descriptions must be included:
 - A nonprofit organization must include after its name in parentheses “nonprofit 501(c)(),” specifying the type of nonprofit organization from 501(c)(3) to 501(c)(10).
 - A federal or out-of-state political committee must include after its name in parentheses “Fed PAC ID #” or the two letter state abbreviation such as “TX PAC ID #.”
 - Any other type of multipurpose organization must include after its name in parentheses “multipurpose organization” or “MPO.”

Note: These descriptions must be included at the end of the committee’s name on the Statement of Organization (Form 410) and all other campaign statements (i.e., Form 460); however, the description is not required to be included in the committee’s name on advertisements and communications.

(Gov. Code, § 84222(e)(1)(A); Regulation 18422.)

- **Date Qualified as Committee.** The “date qualified” is the date the organization met the recipient committee thresholds as described above. For a calendar year filer that reactivates its recipient committee status in a subsequent calendar year, the “date qualified” is the date the committee qualified in the current calendar year. The

amendment box should be marked and the committee identification number issued previously will be used.

- **Type of Committee.** A multipurpose organization must identify itself as either a primarily formed committee or a general purpose committee. Complete the appropriate section for your type of committee. See FPPC Regulation 18247.5 and page 3 of the Form 410 instructions for additional information about primarily formed and general purpose committees. In determining the type of committee, the organization counts only its political contributions and expenditures made in California.
- **Description of Organization's Political Activities.** On page 3 of the Form 410 in the "Provide Brief Description of Activity" field, a multipurpose organization, other than a federal or out-of-state PAC, must describe its mission or most significant activities and describe its political activities. This requirement may be met by referencing where the organization's IRS Return of Organization Exempt from Income Tax form may be accessed. (Gov. Code, § 84222(e)(1)(A); Regulation 18422.)
- **Calendar Year Filer ("CY" designation).** A multipurpose organization that qualifies as a recipient committee because its political payments are more than \$50,000 in a period of 12 months or more than \$100,000 in a four consecutive calendar year period automatically terminates at the end of the calendar year in which it qualified. The organization must indicate its calendar year status on the Form 410 in the manner described on the Form 410 instructions. An organization may elect to remain registered as a committee instead of terminating automatically by stating its intent to remain open on its initial Form 410 or on an amended Form 410 filed prior to the end of the calendar year. (Gov. Code § 84222(e)(1)(B); Regulation 18422.)
- **Committee Fees.** A multipurpose organization that qualifies as a recipient committee must pay the \$50 annual filing fee required of all recipient committees. See page 1 of the Form 410 instructions for additional information.

Exception – Sponsor Reporting on PAC Reports: A membership organization that is the sponsor of a recipient committee is not required to register as a separate committee so long as the organization does not receive payments of \$10,000 or more in a calendar year from a single source. Such organizations may report contributions and expenditures on their sponsored committee's campaign statement as described below. (Gov. Code, § 84222(e)(1).)

D. What campaign statements are required?

Generally, a multipurpose organization that qualifies as a recipient committee will have the same filing requirements as other recipient committees. (Gov. Code, § 84222(e).) The most commonly filed forms are briefly described below; however, depending on a committee's activity, additional reports may be required. The appropriate [campaign disclosure manual](#) and [filing schedule](#) with specific reporting periods and deadlines should be reviewed. In addition, each of the [forms](#) contains detailed instructions.

Form 460

The Form 460 is the main campaign disclosure report and provides the public with an overview of the organization's activity, including contributions and expenditures, during a specified period. The Form 460 is filed semi-annually and, depending on the organization's activity, may also be required as a preelection statement.

24-Hour Contribution Reports (Form 497)

During the 90 days before an election, if the organization makes contributions of \$1,000 or more to a candidate, ballot measure committee, or political party committee, it must file the Form 497 within 24 hours. If an organization qualifies as a primarily formed committee, the Form 497 may also be required for contributions *received* of \$1,000 or more.

Independent Expenditure Reports

During the 90 days before an election, if the organization makes independent expenditures of \$1,000 or more to support or oppose a candidate or ballot measure, it must file the Form 496 (24-hour Independent Expenditure Report) within 24 hours. In addition, it must also file Forms 462 (Verification of Independent Expenditures) and 465 (Supplemental Independent Expenditure Report). Refer to the appropriate campaign disclosure manual and filing schedule for information about when and where to file these reports.

E. Donor Disclosure

Pursuant to Government Code section 84222 and Regulation 18422, donors to the multipurpose organization are disclosed as contributors on a campaign statement as follows:

1. **Donors Giving for Political Purposes – Itemize at \$100.** State the full amount given and identifying information for all donors who made payments to the organization specifically for political purposes in California. In addition, donors who knew that all or a portion of their payments may be used for political purposes in California and donors who reached a subsequent agreement or understanding with the committee that all or a portion of their payments may be used for political purposes in California must also be listed. *These donors must be itemized if their payments total \$100 or more in a calendar year.*
2. **LIFO Donors – Itemize at \$1,000.** Report donors using a “last in, first out” (LIFO) accounting method to identify donors when the funds described above do not cover the entire amount of the contribution or independent expenditure made by the organization.² Identify donors to the general fund in reverse chronological order beginning with the most recent donor. Donor identification starts with the date the political expenditure was made. Each donor's payment is included on the Form 460; however, ***only donors of \$1,000 or more in a calendar year must be itemized.*** Continue this method until a sufficient number of donors have been identified as contributors to account for the contribution or independent expenditure.

² An “independent expenditure” is a payment for a communication that expressly supports or opposes a clearly identified candidate or ballot measure, but the payment is not made to, at the behest of, or otherwise coordinated with the affected candidate or a committee formed to support or oppose the ballot measure. ([Gov. Code, § 82031.](#))

Note: During the 90 days before an election, calendar year filers must identify contributors using the LIFO accounting method no later than three business days following the expenditure. At all other times, contributors must be identified within 10 business days.

3. **Organization Itself.** If these two classes of contributors do not account for the full balance of the group's political expenditures, the organization will identify itself as a contributor of the remaining balance.

Exceptions:

Organizations need not identify the following payments received as “contributions”:

- **Restricted Funds.** A donation from a donor that prohibits the use of the donation for political purposes or designates or restricts the donation for purposes other than contributions or expenditures. (Gov. Code, § 84222(e)(2)(A)-(B).)
- **Foundation Funds.** A grant from a private foundation as defined by Internal Revenue Code section 509(a) that does not constitute a taxable expenditure under Internal Revenue Code section 4945(d)(1) or (d)(2). (Gov. Code, § 84222(e)(2)(C).)
- **Funds received prior to July 1, 2014.** A donation to the general funds made before the new legislation took effect, if the funds were not given or approved by the donor to be used on a candidate or ballot measure in California. (Gov. Code, § 84222(e)(4).)

F. Special Reporting Requirements

Calendar Year Filers

Contributions made and expenditures made in a prior calendar year are not required to be included on the reports filed for the calendar year in which an organization qualifies as a committee by making contributions or expenditures of more than \$100,000 in a period of four consecutive calendar years. (Gov. Code, § 84222(e)(3).)

Federal and Out-of-State PACs

A federal political action committee that is filing campaign reports with the Federal Election Commission (FEC) is not required to re-itemize contributors on the Form 460, but the committee must disclose the total amount of contributions received on Line 3 of the Schedule A Summary, make a statement on the report that its contributors are listed on its federal report, and include the federal committee's name and identification number. (Gov. Code, § 84222(d)(2).) An out-of-state PAC itemizes contributors who have given \$100 or more on Form 460, in an amount equal to the PAC's California activity.

A federal or out-of-state political action committee is required to report its California expenditures; however, it is not required to itemize contributions made and expenditures made to influence federal or out-of-state elections. These payments may be reported as a single expenditure and described as such. (Gov. Code, § 84222(d)(1).)

Sponsored Committees

A membership organization that is the sponsor of a recipient committee may report its contributions and expenditures made from general funds on its committee's campaign statement so long as the organization does not receive payments of \$10,000 or more in a calendar year from a single source. The sponsor shall use the "last in, first out" (LIFO) accounting method and must itemize contributors that have donated \$1,000 or more to the general fund since July 1, 2014. If these contributors do not account for the full balance of the organization's expenditures, the organization must identify itself as a contributor of the remaining balance. (Gov. Code, § 84222(f).)

G. Notifying Major Donors

When a multipurpose organization uses the LIFO accounting method to identify donors, the organization is required to notify those donors that they may have filing obligations in the following situations:

- **Contributors of \$5,000 or more.** If a contributor of \$5,000 or more is identified using the LIFO accounting method, the organization must send a *major donor notice* to the contributor *within two weeks* informing them that they may be required to file campaign statements.
- **Contributors of \$10,000 or more in the 90 days before an election.** Within 90 days of an election, if a contributor of \$10,000 or more is identified using the LIFO accounting method, the organization must send a *major donor notice* to the contributor *within one week* informing them that they may be required to file campaign statements.
- **Contributors of more than \$50,000.** If a contributor of more than \$50,000 is identified using the LIFO accounting method, *and* the contributor is also a multipurpose organization, the recipient organization must send a *nonprofit filer notice* to the contributing organization stating that it may be required to register and file expedited campaign statements disclosing its donors (see "Expedited Filing" below). The notice must be provided *within 24 hours* during the 90-day period before an election and *within ten business days* outside of the 90-day period.

(Gov. Code, §§ 84105 and 84222; Regulation 18422.)

H. Expedited Filing for MPO Contributors

A multipurpose organization identified as a contributor by LIFO accounting that also qualifies as a recipient committee must register and file campaign statements of its own. The organization qualifies as a committee on the date it knows or has reason to know that it met the qualification thresholds by receiving notice from the recipient organization or being otherwise put on notice. The contributing organization must file a Statement of Organization (Form 410) and initial campaign statements *within three business days* following its committee qualification during the 90-day period before an election, and *within 10 business days* outside of the 90-day period. (Gov. Code, § 84222(e)(5); Regulation 18422.)

I. Recordkeeping

A multipurpose organization must maintain all records necessary to ensure its compliance with the registration and reporting requirements of Government Code section 84222. (Regulation 18422(e).)

J. Committee Termination

Calendar Year Filers

A multipurpose organization that qualifies as a recipient committee because its political expenditures were more than \$50,000 in a period of 12 months or more than \$100,000 in four consecutive calendar years automatically terminates on December 31 of the year in which it qualified. A year-end semi-annual statement is not required unless the organization has undisclosed contributions or expenditures to report, in which case a semi-annual statement is due by January 31. An organization may elect to remain registered as a committee instead of terminating automatically by stating its intent to remain open on its initial Form 410 or on an amended Form 410 filed prior to the end of the calendar year. (Gov. Code § 84222(e)(1)(B); Regulation 18422.)

Other Multipurpose Organizations

Any other multipurpose organization (including a federal PAC) that qualifies as a recipient committee terminates in the same manner as other recipient committees. A final Form 460 must be filed and a Form 410 termination statement must also be filed. See the Form 410 instructions for the requirements that must be met in order for a committee to terminate.

Examples:

♦ **PTA Contribution.** *The Golden Rule Association provides educational services and receives its funds exclusively from teachers. The teachers do not designate their funds for political expenditures, and give amounts varying from \$50 to \$2,500/year. In a period of 12 months, the association made a single contribution of \$85,000 to a state ballot measure committee (30 days before a June primary election) and made a payment of \$5,000 to a firm for campaign reporting services and preparation of campaign advertisements. The association qualifies as a recipient committee and must file a Statement of Organization (Form 410) within 10 days. Within 24 hours of making the \$85,000 contribution, the Form 497 must be filed. Within three business days, the association must use the “last in, first out” (LIFO) accounting method to identify donors up to the \$90,000 in political expenditures. An amendment to the Form 497 must be filed to identify donors of \$1,000 or more within three days after the LIFO is completed, unless the donors were already listed as contributors on the original Form 497 or there are no donors of \$1,000 or more to identify. Campaign statements (Form 460) are filed according to the filing schedule for primarily formed ballot measure committees. The association’s reporting obligations will terminate automatically at the end of the calendar year unless the association elects to stay registered. All forms are filed with the Secretary of State, and with the exception of the Form 410, the forms must be filed electronically.*

♦ **Union with Sponsored Committee.** A union has a sponsored committee. One year, the union makes two contributions, \$25,000 and \$30,000, to a ballot measure committee from the union's general dues account. The union is not required to register as a separate committee; it may report the contributions on its sponsored committee's report. The sponsored committee's report must identify the donors that account for the \$55,000 in political expenditures using the "last in, first out" (LIFO) accounting method. If any member made payments totaling \$1,000 or more, the member's name, address, occupation and employer must be disclosed. Alternatively, the union may establish a separate recipient committee and file a Statement of Organization (Form 410) and file its own campaign reports.

♦ **MPO Solicits Donations for Political Purposes.** Citizens for Public Libraries is a multipurpose organization. One year, the organization sent a mailer to its members asking for \$200 for the sole purpose of supporting library bond measures. Once \$1,000 was received, the organization qualified as a recipient committee, and was required to file a Statement of Organization (Form 410), and begin filing recipient committee campaign reports disclosing the full amount of each contribution. If the organization's political expenditures do not exceed the amount of the contributions raised for the bond measures, donors to the organization's general fund are not identified on a campaign statement.

♦ **Chamber of Commerce Contribution.** A trade association of city businesses raises money for charitable events in the community. One year, the association makes a \$45,000 contribution to a committee formed to support a city ballot measure. The association had not raised the money for political purposes and did not reach an agreement with donors that their payments may be used for political purposes. Therefore, the association does not qualify as a recipient committee required to report donors; however, it qualifies as a major donor committee and must file the Form 461 to report the contribution. If the contribution was made in the 90 days before the election, the Form 497 must also be filed.

♦ **Environmental Organization Qualifies as Committee.** Go Green is a multipurpose organization; its monthly dues payments range from \$500 to \$2,000 per member. In a non-election year, the organization made several contributions to state legislators totaling \$80,000 from its membership account. The organization must register as a committee once the contributions total more than \$50,000. The organization's political fundraising efforts raised \$20,000 in donor payments of \$400 each. On the campaign statement, each donor that made a \$400 contribution specifically for political purposes must be itemized. In order to account for the additional \$60,000, the organization must identify donors to its membership account using the "last in, first out" (LIFO) accounting method. A total of 100 donors were identified using LIFO to account for the \$60,000, but only donors whose payments totaled \$1,000 or more in a calendar year must be itemized on the campaign statement (Form 460).

♦ **Federal PAC.** A federal political action committee that files disclosure reports with the FEC made a single contribution in the amount of \$40,000 to a state ballot measure committee. The contribution was made four months before the election. The federal political action committee qualifies as a recipient committee and must file a Statement of Organization (Form 410) and a campaign statement (Form 460). The committee is not required to itemize

contributors on the Form 460; it may instead disclose the total amount of contributions received on Line 3 of the Schedule A Summary, make a statement on the report that its contributors are listed on its federal report, and include the federal committee's name and identification number. California expenditures must be itemized on the appropriate schedules (i.e., Schedules D, E, and F). All other expenditures are reported as a lump sum total.

♦ **Nondonor Funds.** A professional organization provides a variety of services to its members, including insurance services that result in income to the organization. The organization makes political expenditures from the income producing account (nondonor funds), not from its membership dues account. Therefore, the organization does not qualify as a recipient committee. The organization is required to file reports as a "major donor" or "independent expenditure" committee if it makes, in a single calendar year, \$10,000 in contributions or \$1,000 in independent expenditures. On the Form 461, in a memo entry or in the "Description of Payment" field, the organization must briefly describe the source of nondonor funds used (e.g., interest income).

♦ **Nonprofit Organization Making Independent Expenditures.** A nonprofit organization receives \$10,000 from donors for a specific political campaign. Sixty days prior to the June election, the organization makes a single independent expenditure of \$60,000 using the \$10,000 received specifically for political purposes and \$50,000 from the organization's general membership dues account. The organization must file a Form 496 (Independent Expenditure Report) within 24 hours. Contributors of \$100 or more who donated specifically for the campaign must be itemized on the Form 496. Within three business days, the organization must use the "last in, first out" (LIFO) accounting method to identify donors up to the \$50,000 in political expenditures made from the general fund. If donors of \$1,000 or more are identified, an amended Form 496 must be filed to disclose those donors as contributors unless they were reported on the initial Form 496. The organization must also file campaign statements as required by the relevant filing schedule until the committee is terminated.

♦ **Nonprofit Association Using Funds Received from Another Nonprofit.** A national nonprofit association made a \$5,000,000 contribution from its general treasury to a state ballot measure committee thirty days before the election. The national association must register as a recipient committee in California and file appropriate campaign statements. If the national association using the "last in, first out" (LIFO) accounting method identifies contributors of more than \$50,000 that are also nonprofit organizations, the national association must send a "nonprofit filer notice" to that nonprofit organization within 24 hours.

Each nonprofit organization that receives the notice must determine the source of the original payment to the national association. If the source, for instance, was funds from the nonprofit organization's general membership dues, the nonprofit organization must file a Statement of Organization (Form 410) and a Recipient Committee Campaign Statement (Form 460) identifying its donors within three business days. If the nonprofit organization makes additional expenditures in California, those expenditures must also be reported.

Note: The national association must send the “major donor notification” to each nonprofit organization identified by the LIFO accounting method as a donor of \$5,000 or more within two weeks. A nonprofit organization identified as a donor of \$10,000 or more must be notified within one week.

Reminder: When using the “last in, first out” (LIFO) accounting method to identify contributors, the organization need not identify a donor whose donation was received prior to July 1, 2014.

Disclaimer: The examples above are not meant to be all-inclusive; political expenditures made by multipurpose organizations vary significantly. In order to ensure compliance, we recommend that organizations request assistance by sending all relevant facts to advice@fppc.ca.gov.

FAQ's

- A. Our trade association has never before made a political expenditure; however, this year the association made a single contribution of \$45,000 to a committee primarily formed to support a county ballot measure. Is our association required to register as a recipient committee?**

No. Since the contribution was not more than \$50,000, the association does not qualify as a recipient committee so long as the funds were not raised for political purposes and there was no agreement with the donors that their payments may be used for political purposes. The association does, however, qualify as a major donor committee and must file the applicable campaign reports and meet the specified filing deadlines.

- B. Our organization provides a variety of services to its members, including insurance coverage which results in income to the organization. The organization makes its political expenditures from the income producing account (nondonor funds), not from its membership dues account. Is our organization required to register as a recipient committee?**

No. Since nondonor funds are used, the organization does not qualify as a recipient committee. If the organization makes contributions of \$10,000 or more or independent expenditures of \$1,000 or more in a single calendar year, the organization will qualify as a major donor committee or an independent expenditure committee and must file the applicable campaign reports and meet the specified filing deadlines.

- C. Our association receives its funds exclusively from its members. The members do not designate their funds for political purposes. This year, the association made a \$55,000 contribution to a committee primarily formed to support a county ballot measure. The association will not make additional political expenditures this calendar year. Is our association required to register as a recipient committee?**

Yes. The association must file the Form 410 and since its only contribution was to a county ballot measure committee, it must register as a county primarily formed ballot measure committee. In Part 4, the committee will note it is a calendar year filer ("CY") and describe the organization's mission or significant activities (a reference to its IRS tax form is permissible). The association must also file all applicable campaign reports and meet the specified filing deadlines. Unless the association elects to remain registered as a recipient committee, the committee will automatically terminate at the end of the calendar year.

D. Our federal political action committee (PAC) made a \$40,000 contribution to a state ballot measure. Since the contribution was not more than \$50,000, is the PAC required to register as a California recipient committee?

Yes. A federal PAC that makes contributions or expenditures in California totaling \$1,000 or more in a calendar year must file the Form 410 and register as a California recipient committee.

E. Our union has a sponsored political action committee (PAC). This year the union made two contributions, \$25,000 and \$30,000, to a state ballot measure committee from the union's general dues account. We are going to report the contributions on our sponsored committee's report. When we identify members through the "last in, first out" (LIFO) accounting method for the \$55,000 in political expenditures, are we required to itemize members whose payments total \$100 or more?

No. When identifying sources of political expenditures using the "last in, first out" (LIFO) accounting method, you must only itemize members whose payments total \$1,000 or more in a calendar year. The sponsored PAC, however, must itemize payments that total \$100 or more in a calendar year when those payments are received specifically by the PAC.

F. Our federal political action committee (PAC) qualified as a California recipient committee. We file campaign reports with the Federal Election Commission (FEC) disclosing all contributions received and expenditures made. Are we required to re-itemize contributors on the Form 460?

No. A federal PAC that is filing campaign reports with the FEC is not required to re-itemize contributors on the Form 460, but the committee must disclose the total amount of contributions received, make a statement that its contributors are listed on its federal report, and include the federal committee's name and identification number. The PAC must itemize its California expenditures on the Form 460 and provide a lump sum total of all other expenditures.

G. Our association qualified as a recipient committee (calendar year filer) in May by making a contribution of \$65,000 to a ballot measure committee from the association's general funds. We reported the contribution made to the ballot measure committee and the donors identified as contributors by the "last in, first out" (LIFO) accounting method on the semi-annual Form 460 filed on July 31, covering the

period of January 1 through June 30. If we make no further political expenditures this year and we did not elect to remain a registered committee, are we required to file a semi-annual Form 460 for the period of July 1 through December 31?

No. A year-end semi-annual statement is not required so long as the association does not have undisclosed contributions or expenditures to report. Your committee status will automatically terminate on December 31.